

TIMES ONLINE

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In from the cold

Cheaper than France and Switzerland, the Austrian Alps are also relaxing some of the restrictions on foreign buyers. The hills really are alive

Liz Rowlinson

Thought you had to go to Bulgaria or some obscure resort to afford a flat or chalet in the mountains? Think again. Prices in some of Austria's better-known ski destinations are considerably cheaper than in their French or Swiss equivalents, and there are signs that the country is finally loosening some of the rules that have hitherto made it difficult for foreigners to buy.

Cameron Brown, 34, a barrister from Sevenoaks, Kent, is among those who've been lured to the country by the low prices. In October 2007, he and his wife, Clare, bought a two-bedroom new-build chalet in the pretty village of Stadl, 90 minutes' drive from Salzburg, for only £140,000 – not bad for somewhere that sleeps eight.

"I always wanted a ski property, and in terms of value for money, Austria is much better than France and Switzerland," Brown says. "For the same price, we could get only a small studio in the grottiest end of Méribel or a slightly larger studio in Champéry."

The couple's wooden property, built in traditional style, is in the Kreischberg ski area, which gets plenty of snow and 260 days of sunshine a year, with fantastic summers. When they're not using the chalet themselves, the couple let it out (theaustrianchalet.com).

British buyers unable – or unwilling – to pay the far higher prices in French and Swiss resorts are increasingly turning to Austria, according to Shaun Ash-down, managing director of Aquavista, a Kent-based company that started selling property in the country four years ago (0845 241 4808, austria-property.com). "Austrian properties are still undervalued, and in the current economic climate the stability of this market is also appealing," he says. "Prices haven't inflated, as in the rest of Europe, and three in four properties in ski resorts are still owned by Austrians, who keep their homes for life."

The Salzburgerland, in the middle of the country, has been the biggest hit with British buyers because of its accessibility and affordability. Most of its resorts are within an hour's drive of Salzburg airport – served by flights from most of Britain – and it also has Austria's largest ski area, the Sportwelt Amadé.

The province is also fairly welcoming to foreign buyers: officially, second-homers must make their properties available for rent, but according to Ash-down, this is something of a formality. "You are obliged to register your property with the local tourist office because they are worried about 'cold beds' – too many empty holiday homes," he explains. "But nobody checks that you are actually renting it."

This was not an issue for James and Laurie Royston, from the Isle of Man, who wanted a ski bolt hole that would pay for itself. Last year, they bought a three-bedroom chalet in a development of 10 properties in the village of St Martin im Lungau, an hour's drive from Salzburg. Prices start at £341,470 through Investors in Property, an agency based in north London.

“We’ve been skiing in Austria every year, as the people are so hospitable, though it helps that Laurie speaks German,” says James, 34, a marine engineer. “We hope to visit three or four times a year, mostly for skiing, and make £15,000 to £25,000 per annum from the managed rental scheme.”

Located in the Hohe Tauern national park, which has 30 peaks above 3,000 metres, Zell am See has long been a favourite school-trip destination. Unlike Obertauern, a high-altitude resort that becomes a ghost town after the spring thaw, it is a classic example of the dual-season Austrian ski resort that is lively all year round. Summer tourists, who outnumber winter ones in many Austrian resorts, can choose from a host of water-sports or biking down the mountain – and, of course, you can ski on the Kitz-steihorn glacier even in August. Savills is now selling property in Zell am See and nearby Kaprun.

Prices tend to be higher in the Tyrol, in the west of the country, which has 119 ski resorts, among them Kitzbühel, St Anton and Innsbruck. Historically, foreigners have not been allowed to buy a second home in this region – unless they live there full-time – but a few exceptions are emerging.

Investors in Property is working with Jäger, an Austrian developer that has persuaded the Tyrolean authorities to develop properties on four sites to sell to foreigners as second homes. Just launched in Kühtai, which at 2,020 metres is the highest resort in the country, are the Alpin Resort Apartments, a development of 53 ski-in, ski-out flats. Of these, 32 are designated holiday flats and must be made available for rental, but the remaining 20 have second-home status and can be kept for private use. Two-bedroom flats start at £315,000, three-bedders at £358,000.

Buying in Kitzbühel itself, a medieval town with candy-coloured listed buildings and boutiques full of Louis Vuitton and Prada, is difficult, because those rare properties with holiday-home status that come onto the market are snapped up immediately. Yet Amir Suljic, director of Private Residences, an agency based in town, insists that there are ways for nonAustrians to register as residents. “This is a legal grey area,” he says. If you think such complications are worth it, Suljic’s agency has a selection of new-build chalets throughout the town selling for between £1m and £8m – flats are relatively rare.

If that all sounds like too much hassle, Knight Frank is selling flats in a development in Pass Thurn, 20 minutes’ drive from Kitzbühel, which can be bought freely by foreigners because they are just over the border in the Salzburgerland. The 20 Panorama Chalets – prices range from £164,600 for a one-bedroom property to £618,900 for a three-bedder – are due to be completed by the end of the year and will be right next to a new chairlift up into the extensive Kitzbüheler Alpen ski area, which is undergoing ambitious redevelopment (020 7629 8171, knightfrank.co.uk/international).

The Panorama project, at 1,275 metres, is 400 metres higher than Kitzbühel, which means those buying will enjoy more snow – although they won’t have the benefit of the town’s restaurants without getting into a car. The developers say the flats will be ideal for letting, and the 20% Vat levied on new-builds can be claimed back if you do.

Wherever you buy in Austria, the process is straightforward, with the deeds of sale signed by both parties – or power of attorney – at a notary’s office. Buying costs are about 6% and local mortgages are relatively easy to obtain, although they typically carry a 3% setup fee. Investors should note that Austrians are keen to deter a buy-and-sell culture that will overheat prices for locals, so capital-gains tax of 50% is payable on any profits if you sell your property within 10 years.

MOUNTAIN HIGH

These are a few of our favourite Austrian Alpine retreats

Kitzbühel - £4.4m

A four-bedroom chalet in a popular residential area of Kitzbühel, which is in one of Austria's largest skiing regions. The new-build property has 450 square metres of living space spread over three floors, with an open-plan ground floor, four bathrooms, a one-bedroom flat for staff or guests, a sauna, a wine cellar and views of the mountains.

Private Residences; 00 43 5356 635900, private-residences.net

St Martin - £341,470

Larchie is a three-bedroom chalet with an open-plan living and dining room, a kitchen and three bathrooms. Fully furnished, it comes with a storage space for skis, a terrace, a balcony and a small garden. The property is part of an energy-efficient development in the village of St Martin im Lungau, an hour's drive from Salzburg.

Investors in Property; 020 8905 5511, investorsinproperty.com

Rauris - £176,000

This modern, 51-square-metre flat is part of the Schönblick Mountain Resort & Spa in the medieval gold-mining town of Rauris, one hour's drive south from Salzburg airport. It has two bedrooms, one bathroom, underground parking and a large balcony with views over the Schönblick Valley.

The flat comes with access to the resort's indoor and outdoor pools, gym and health club.

Savills Alpine Homes; 020 7016 3740, alpinehomesintl.com